

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRASIL 04473 051943Z

61

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 TRSE-00 EA-06 L-03 SS-15 NSC-05

CIAE-00 INR-07 NSAE-00 NEA-10 /060 W

----- 064054

P 051900Z JUN 75

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 9600

LIMITED OFFICIAL USE BRASILIA 4473

E.O.11652: N/A

TAGS: EFIN, BR

SUBJECT: REQUEST FOR RELEASE OF BLOCKED VIETNAMESE FUNDS

PASS TREASURY DEPT. (FOREIGN ASSETS CONTROL)

REF: (A) BRASILIA 4211 (B) STATE 4305

1. SUMMARY: LOCAL BRANCH OF FIRST NATIONAL CITY BANK IS SEEKING EMBASSY SUPPORT FOR RELEASE OF BLOCKED FUNDS TO COVER DEBIT BALANCE IN CRUZEIRO ACCOOUNT OF EX-SOUTH VIETNAMESE EMBASSY. GIVEN CIRCUMSTANCES WHICH ALLOWED THIS TO OCCUR, EMBASSY FEELS MATTER IS UP TO TREASURY TO DECIDE. EX-CHARGE OF SOUTH VIETNAEMSE EMBASSY SEEKS RELEASE OF FUNDS FOR PAYMENT OF STAFF SALARY. GUIDANCE REQUESTED. END SUMMARY.

2. BRASILIA BRANCH OF FIRST NATIONAL CITY BANK HAS APPROACHED EMBASSY SEEKING SUPPORT FOR ITS REQUEST TO TREASURY TO RELEASE PORTION OF BLOCKED DOLLAR ACCOUNT OF EX-SOUTH VIETNAMESE EMBASSY, HELD IN ITS NEW YORK BRANCH OF FIRST NATIONAL CITY IN ORDER TO CLOSE OUT A DEBIT BALANCE IN THE EMBASSY'S CRUZEIRO ACCOUNT WITH THE BRASILIA BRANCH. LOCAL BRANCH MANAGER EXPLAINED THAT OVERDRAFT (OR DEBIT BALANCE) RESULTED FROM THE FACT THAT BRASILIA BRANCH CASHED SEVERAL CHECKS OF

LIMITED OFFICIAL USE

PAGE 02 BRASIL 04473 051943Z

EX-SOUTH VIETNAMESE EMBASSY AFTER DOLLAR ACCOUNT

IN NEW YORK HAD BEEN BLOCKED BY TREASURY. APPARENTLY THIS OCCURRED BECAUSE OF LACK OF SPEEDY COMMUNICATION BETWEEN FIRST NATIONAL CITY NEW YORK AND LOCAL BRANCH. ALTHOUGH THE NEW YORK BRANCH PRESUMABLY LEARNED ON APRIL 30 OF TREASURY'S ACTION ADDING SOUTH VIETNAM TO LIST OF COUNTRIES DESIGNATED AS BLOCKED UNDER FOREIGN ASSETS CONTROL REGULATIONS, LOCAL BRASILIA BRANCH ONLY NOTIFIED SOME DAYS LATER. IN THE MEANTIME, VIETNAMESE EMBASSY PERSONNEL CASHED SEVERAL CHECKS, AMOUNTING TO ABOUT \$6,000, WHICH WERE EVENTUALLY RETURNED BECAUSE OF LACK OF FUNDS. THE ACCOUNT IS NOW NEGATIVE BY THIS AMOUNT. (EMBASSY NOTIFIED LOCAL MANAGER, A BRAZILIAN EMPLOYEE, OF FIRST NATIONAL CITY UPON LEARNING OF TREASURY'S BLOCKING ACTION -- THIS OCCURRED EITHER FRIDAY MAY 2 OR MONDAY MAY 5 -- AND LEARNED THAT LOCAL MAN HAD NOT REPEAT NOT YET RECEIVED INSTRUCTIONS FROM HEAD-QUARTERS.) FIRST NATIONAL CITY NEW YORK IS REPORTEDLY FILING AN APPLICATION WITH TREASURY REQUESTING RELEASE OF FUNDS TO CLOSE OUT THIS OVERDRAFT AND HAS ASKED FOR EMBASSY'S SUPPORT. GIVEN THE CIRCUMSTANCES WHICH ALLOWED THE ACCOUNT TO BE OVERDRAWN, AND THE FACT THAT THIS EMBASSY IS NOT FAMILIAR ENOUGH WITH THE REGULATIONS INVOLVED, IT FEELS IT CANNOT MAKE A RECOMMENDATION ONE WAY OR THE OTHER. WE LEAVE THE MATTER UP TO TREASURY.

3. EMBASSY IS STILL TRYING TO OBTAIN FROM FOREIGN MINISTRY DETAILS OF AGREEMENT UNDER WHICH ALGERIA TOOK OVER SOUTH VIETNAM REPRESENTATION IN BRAZIL. AS OF YESTERDAY (JUNE 4), EMBASSY WAS INFORMED BY FOREIGN MINISTRY OFFICIAL THAT SPECIFICS, SUCH AS PAYMENT OF OUTSTANDING OBLIGATIONS OF EX-SOUTH VIETNAMESE EMBASSY, NOT YET HAMMERED OUT. IN THE MEANTIME, EX-CHARGE OF SOUTH VIETNAMESE EMBASSY HAS ASKED EMBASSY TO REQUEST TREASURY TO RELEASE FUNDS TO PAY STAFF SALARIES. EMBASSY HAS DELAYED MAKING A RECOMMENDATION PENDING RECEIPT OF INFORMATION ON ALL OUTSTANDING OBLIGATIONS OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRASIL 04473 051943Z

EMBASSY FROM FOREIGN MINISTRY. IN ORDER TO HELP US HANDLE EX-CHARGE REQUEST, EMBASSY WOULD APPRECIATE INFORMATION ON TREASURY'S REGULATIONS REGARDING THE RELEASE OF FUNDS FOR STAFF SALARIES. EX-CHARGE MAINTAINS THAT EMBASSY'S STAFF SHOULD BE PERMITTED TO DRAW THEIR FULL SALARY FOR APRIL-MAY-JUNE SINCE IT WAS THEIR SECOND QUARTER FUNDS ALLOTMENT WHICH WAS BLOCKED. ANY GUIDANCE THAT CAN BE PROVIDED ON

THIS MATTER WOULD BE APPRECIATED.
CRIMMINS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BLOCKED ASSETS, WAGES, CRUZEIRO, BANK ACCOUNTS, EMBASSIES
Control Number: n/a
Copy: SINGLE
Draft Date: 05 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BRASIL04473
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750197-0173
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750675/aaaacqlm.tel
Line Count: 117
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 BRASILIA 4211, 75 STATE 4305
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 04 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 SEP 2003 by WorrelSW>; APPROVED <04 SEP 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REQUEST FOR RELEASE OF BLOCKED VIETNAMESE FUNDS PASS TREASURY DEPT. (FOREIGN ASSETS CONTROL)
TAGS: EFIN, BR, US, FIRST NATIONAL CITY BANK
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006